

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
November 30, 2022

Cartwright Family Apartments, located at 17861 Cartwright Road in Irvine, requested and is being recommended for a reservation of \$1,679,874 in annual federal tax credits to finance the new construction of 59 units of housing serving families with rents affordable to households earning 30%-80% of area median income (AMI). The project will be developed by C&C Development Co., LLC and will be located in Senate District 37 and Assembly District 74.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

Project Number CA-22-553

Project Name Cartwright Family Apartments
 Site Address: 17861 Cartwright Road
 Irvine, CA 92614 County: Orange
 Census Tract: 755.15

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,679,874	\$0
Recommended:	\$1,679,874	\$0

Applicant Information

Applicant: Cartwright Family Apartments, LP
 Contact: Kenneth Robertson
 Address: 14131 Yorba Street
 Tustin, CA 92780
 Phone: (714) 628-1654
 Email: ksr@riversidecharitable.org

General Partner(s) or Principal Owner(s): Cartwright CCR LLC
 RCC MGP LLC

General Partner Type: Joint Venture
 Parent Company(ies): C&C Development Co., LLC
 Riverside Charitable Corporation

Developer: C&C Development Co., LLC
 Bond Issuer: CMFA
 Investor/Consultant: National Equity Fund Inc.
 Management Agent: Advanced Property Services Management, Inc.

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 60
 No. / % of Low Income Units: 59 100.00%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers
 (8 Units - 14%)

Information

Housing Type: Large Family
 Geographic Area: Orange County
 CTCAC Project Analyst: Cynthia Compton

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	10	17%
50% AMI:	10	17%
60% AMI:	18	31%
70% AMI:	8	14%
80% AMI:	13	22%

Unit Mix

15 1-Bedroom Units
17 2-Bedroom Units
28 3-Bedroom Units
60 Total Units

Unit Type & Number	2022 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
8 1 Bedroom	30%	\$286
5 1 Bedroom	50%	\$1,270
2 2 Bedrooms	50%	\$1,525
3 3 Bedrooms	50%	\$1,761
6 2 Bedrooms	60%	\$1,830
12 3 Bedrooms	60%	\$2,114
4 2 Bedrooms	70%	\$2,135
4 3 Bedrooms	70%	\$2,466
5 2 Bedrooms	80%	\$2,440
8 3 Bedrooms	80%	\$2,819
2 1 Bedroom	30%	\$286
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$8,121,174
Construction Costs	\$18,635,921
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,925,692
Soft Cost Contingency	\$390,589
Relocation	\$0
Architectural/Engineering	\$1,375,000
Const. Interest, Perm. Financing	\$3,459,980
Legal Fees	\$162,500
Reserves	\$297,200
Other Costs	\$3,243,897
Developer Fee	\$4,213,730
Commercial Costs	\$0
Total	\$41,825,683

Residential

Construction Cost Per Square Foot:	\$240
Per Unit Cost:	\$697,095
True Cash Per Unit Cost*:	\$655,199

Construction Financing

Source	Amount
Bank of America - Tax-Exempt	\$21,000,000
Bank of America - Taxable	\$1,491,406
CalHFA - SNHP ¹	\$1,574,810
City of Irvine	\$9,450,000
Accrued/Deferred Interest	\$69,868
Deferred Costs	\$352,780
Deferred Developer Fee	\$3,363,730
General Partner Equity	\$100
Tax Credit Equity	\$4,522,989

Permanent Financing

Source	Amount
Bank of America - Tax-Exempt	\$12,309,880
CalHFA - SNHP ¹	\$1,574,810
Orange County	\$567,000
City of Irvine	\$9,450,000
Accrued/Deferred Interest	\$69,868
Deferred Developer Fee	\$2,513,730
General Partner Equity	\$100
Tax Credit Equity	\$15,340,295
TOTAL	\$41,825,683

*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

¹Special Needs Housing Program

Determination of Credit Amount(s)

Requested Eligible Basis:	\$32,305,273
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$41,996,855
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,679,874
Approved Developer Fee (in Project Cost & Eligible Basis):	\$4,213,730
Investor/Consultant:	National Equity Fund Inc.
Federal Tax Credit Factor:	\$0.91318

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Standard Conditions

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee’s next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a reservation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, CTCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from CTCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by CTCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the CTCAC placed in service review, CTCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.